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16 MAY 1961

MEMORANDUM FOR: Comptroller

SUBJECT : Report of Analysis of Requirements for the Office  
Estimates Budget Submission

1. The Financial Advisory Committee has reviewed the Office Estimates requirements for Fiscal Year 1962. In general, the Committee feels that none of the offices objects to furnishing the basic data required for budget submissions. There is complaint, however, in three areas: (1) the repeated number of ways the detail information is reported or summarized, (2) the type or duplication of some of the narrative justification and change statements, and (3) the maintenance of records to furnish information that should be furnished by the office of official record.

2. An example of the first area is the personal services information. The call for Fiscal Year 1962 Office Estimates requested the following:

a. "Position, Average Employment, and Position Cost Statement," form 1036, listing:

(1) Seven different types of information on positions and average employment;

(2) Twenty different types of cost information;

(3) The above detail for three fiscal years and two changes between fiscal years; and

(4) The information listed in items (1), (2), and (3) summarized geographically and by total.

b. Position, average employment, and personal services cost data on form 631, "Object Class Summary". This information was identical to that on one of the 1036 forms, "Position, Average Employment and Position Cost Statement".

c. Position, average employment, and personal services cost data distributed geographically on form 1037, "Analysis of Obligations". This information was identical to that on one of the 1036 forms, "Position, Average Employment and Position Cost Statement".

d. Position, average employment, and personal services cost data detail was again repeated on form 1274, "Object Class and Explanation of Changes".

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3. Examples of the second area are:

a. Duplication of narrative justification -- form 630a requires a narrative justification of the activity changes. One of the items to be covered is object class. However, object class justification and explanation of changes is also requested on form 1274. It is recognized that these two requirements are used for different purposes but the offices are repeating the information given.

b. Type of justification -- part of the justification statement requirements cover an explanation of the current year estimates over the past year estimates. A large amount of effort is expended to prepare these statements but there is no evidence that the data is ever used or serves any purpose. The printed budgets returned to the offices do not show this information -- only the changes between the current year and budget year are reflected.

4. An example of the third area is some of the data required on form 1430, "Schedule of Motor Vehicle Requirements". At present, many of the offices are maintaining vehicle inventory records in order to satisfy the "On Hand Beginning Fiscal Year" requirements of form 1430. The policy in connection with financial and personnel data is that the office of official record (Office of the Comptroller and the Office of Personnel) furnish data that will be used in presentations to management and externally. The Office of Logistics is the office of official record of property inventory.

5. The above items are only illustrative of the types of budget exercises that many of the offices feel places an unnecessary burden on them. The answer furnished the Advisory Committee as to the purpose of the various ways of arranging budget data was to facilitate the review performed by the Comptroller's Office and provide information for budget hearings with the Bureau of the Budget. The offices have expressed the opinion that the Budget Division should prepare many of the summaries of the basic data that is furnished by the offices.

6. In connection with the preparation of the call for Office Estimates for Fiscal Year 1963, the Financial Advisory Committee recommends the following:

a. That serious consideration be given to requesting only the basic data from the offices and that the summarizing be performed in the Budget Division. If this is not practicable from a workload point of view, that duplicated or unnecessary information be eliminated. Specifically, the following changes are recommended:

(1) The organizational level for budget requirements be limited to the operating office level and that form 1275, "Organizational Unit and Office Activity Relationship" be eliminated.

(2) Current year over past year columns be eliminated from all forms and justification requirements.

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*no*  
(3) Form 1037, "Analysis of Obligations" be eliminated since the same information can be duplicated on geographic object class submissions on form 631, "Object Class Summary".

(4) The personal services data appearing on forms 1036, "Position, Average Employment and Position Cost Data"; 631, "Object Class Summary"; and 1274, "Object Class Justification and Explanation of Changes" be consolidated into one submission to avoid repeating the data.

*o/c*  
(5) The requirements for information for real estate and construction, object class 000, on form 1277, "Schedule of Real Estate and Construction" be eliminated since the same basic information appears on form 1274, "Object Class Justification and Explanation of Changes".

*could be but decided NO!!*  
*o/c*  
b. The explanation of financial changes for each activity on form 630a, "Narrative Justification Statement" be limited to significant items and not be by object class since object changes are explained in total for each object class on form 1274, "Object Class Justification and Explanation of Changes".

*o/c*  
c. That a change in approach be taken for the "Introductory Statement" (paragraph 4 on page 16 and Exhibit A of the Fiscal Year 1962 Call for Office Estimates). Because of the present understanding, the Offices are repeating the same information in the "Introductory Statement" as is given in the "Narrative Justification Statement", form 630a. If a change in approach cannot be made, it is recommended that the requirement for the "Introductory Statement" be eliminated.

*o/c*  
d. That the Office of Logistics furnish the "On Hand Beginning Fiscal Year" data required on form 1430, "Schedule of Motor Vehicle Requirements".

e. The Office of the Comptroller begin a study leading to a machine application (RCA 501) to the preparation of various arrangements of budget data from basic data derived from accounting records and the offices. A target for the Fiscal Year 1964 budget is recommended.

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FINANCIAL ADVISORY COMMITTEE



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| TRANSMITTAL SLIP   |          | DATE               |
| TO: <i>Saunders</i>  |          | <i>1 June 1961</i> |
| ROOM NO.   | BUILDING |                    |
| REMARKS:   |          |                    |
| <p><i>I held a meeting with Policy group on this paper &amp; check objects to practically all important parts. I wish you would read it &amp; see what you want to do with it.</i></p> |          |                    |
| FROM: <i>RHP</i>   |          |                    |
| ROOM NO.   | BUILDING | EXTENSION          |

FORM NO. 241  
1 FEB 55REPLACES FORM 36-8  
WHICH MAY BE USED.

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